

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1863
91ST GENERAL ASSEMBLY

Reported from the Committee on Agriculture, April 23, 2002, with recommendation that the House Committee Substitute for House Bill No. 1863 Do Pass.

TED WEDEL, Chief Clerk

3499L.06C

AN ACT

To amend chapter 414, RSMo, by adding thereto one new section relating to the biodiesel incentive fund.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 414, RSMo, is amended by adding thereto one new section, to be
2 know as section 414.368, to read as follows:

414.368. 1. As used in this section, the following terms mean:

2 (1) "Biodiesel", the mono alkyl esters of long chain fatty acids derived from
3 vegetable oils or animal fats, for use in compression-ignition (diesel) engines; such
4 specification is for pure (one hundred percent) biodiesel prior to use or blending with
5 diesel fuel;

6 (2) "Biodiesel blend", pure biodiesel blended with petrodiesel; biodiesel blends are
7 referred to as Bxx, with the xx indicating the amount of biodiesel in the blend. As an
8 example, a B20 blend is twenty percent by volume biodiesel and eighty percent by volume
9 petrodiesel;

10 (3) "Missouri biodiesel producer", any producer of biodiesel whose principal place
11 of business and facility for the fermentation and distillation of biodiesel is located within
12 the state of Missouri and which has made formal application, posted a bond, and
13 conformed to the requirements of this section, and who is also a new generation
14 cooperative.

15 (4) "New generation cooperative", a nonprofit cooperative association formed
16 pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the
17 purpose of operating a development facility or a renewable fuel production facility, and
18 who is a majority owner of the cooperative.

19 **2. The "Missouri Biodiesel Incentive Fund" is hereby created which shall consist**
20 **of all moneys which may be appropriated to it by the general assembly, and also any gifts,**
21 **contributions, grants, or bequests received from federal, private, or other sources. Subject**
22 **to appropriation this fund shall be used to provide grants to Missouri biodiesel producers**
23 **pursuant to this section. The director of the department of agriculture shall administer the**
24 **fund pursuant to this section.**

25 **3. A Missouri biodiesel producer shall be eligible for a monthly grant from the**
26 **fund, except that the producer shall only be eligible for the grant for a total of sixty months**
27 **unless such producer during those sixty months failed, due to a lack of appropriations, to**
28 **receive the full amount from the fund for which they were eligible, in which case such**
29 **producers shall continue to be eligible for up to twenty-four additional months or until**
30 **they have received the maximum amount of funding for which they were eligible during**
31 **the original sixty-month time period. The amount of the grant is determined by calculating**
32 **the estimated gallons of biodiesel production to be produced from Missouri agricultural**
33 **products for the succeeding calendar month, as certified by the department of agriculture,**
34 **and applying such figure to the per-gallon incentive credit established in this subsection.**
35 **Each Missouri biodiesel producer shall be eligible for a total grant in any fiscal year equal**
36 **to thirty cents per gallon for the first fifteen million gallons of biodiesel produced from**
37 **Missouri agricultural products in the fiscal year. All such biodiesel produced by a**
38 **Missouri biodiesel producer in excess of fifteen million gallons shall not be applied to the**
39 **computation of a grant pursuant to this subsection. The department of agriculture shall**
40 **pay all grants for a particular month by the fifteenth day after receipt and approval of the**
41 **application described in subsection 4 of this section. If actual production of biodiesel**
42 **during a particular month either exceeds or is less than that estimated by a Missouri**
43 **biodiesel producer, the department of agriculture shall adjust the subsequent monthly**
44 **grant by paying the additional amount or subtracting the amount in deficiency by using**
45 **the calculation described in this subsection.**

46 **4. In order for a Missouri biodiesel producer to obtain a grant from the fund for**
47 **a particular month, an application for such funds shall be received no later than fifteen**
48 **days prior to the first day of the month for which the grant is sought. The application shall**
49 **include:**

50 **(1) The location of the Missouri biodiesel producer;**

51 **(2) The average number of citizens of Missouri employed by the Missouri biodiesel**
52 **producer in the preceding quarter, if applicable;**

53 **(3) The number of bushels of Missouri agricultural commodities used by the**
54 **Missouri biodiesel producer in the production of biodiesel in the preceding quarter;**

55 (4) The number of gallons of biodiesel the producer expects to manufacture during
56 the month for which the grant is applied;

57 (5) A copy of the biodiesel producer license required pursuant to subsection 5 of
58 this section, name and address of surety company, and amount of bond to be posted
59 pursuant to subsection 5 of this section; and

60 (6) Any other information deemed necessary by the department of agriculture to
61 adequately ensure that such grants shall be made only to Missouri biodiesel producers.

62 5. The director of the department of agriculture, in consultation with the
63 department of revenue, shall promulgate rules and regulations necessary for the
64 administration of the provisions of this section. The director shall also establish
65 procedures for bonding Missouri biodiesel producers. Each Missouri biodiesel producer
66 who attempts to obtain moneys pursuant to this section shall be bonded in an amount not
67 to exceed the estimated maximum monthly grant to be issued to such Missouri biodiesel
68 producer.

69 6. No rule or portion of a rule promulgated under the authority of this section shall
70 become effective unless it has been promulgated pursuant to the provisions of chapter 536,
71 RSMo.